Message Text

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R 181937Z MAY 78 FM AMEMBASSY PARIS TO SECSTATE WASHDC 1765

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PASS DOC FOR ASSISTANT SECRETARIES HALL AND WEIL, DAS WILLIAMS, DAS SHEPARD, DAVID PETERSON; HUD AND EPA

E.O. 11652: N/A
TAGS: EIND, OECD
SUBJECT: MEETING OF THE INDUSTRY COMMITTEE'S WP6 ON
REGIONAL DEVELOPMENT POLICIES

REFS: A) STATE 106757 B) PARIS 15497 C) IND/WP6/A(78)1

1. SUMMARY - IN APRIL 27-28 MEETING, WP6 EXCHANGED RECENT EXPERIENCES OR THINKING IN MEMBER GOVERNMENTS, INCLUDING CRITERIA FOR "ASSISTED AREAS". UNDERLYING THOUGHT (EXPRESSED BY DENMARK) WAS THAT GOVERNMENTAL CONCERN WAS ACTUALLY FOCUSSED ON NATIONAL (RATHER THAN REGIONAL PROBLEMS), BUT AS SECRETARIAT (MARRIS) POINTED OUT, MACRO-ECONOMISTS NEED TO LOOK MORE CLOSELY AT REGIONAL POLICIES IN SEEKING TO RESOLVE NATIONAL PROBLEMS. U.S. PRESENTED DETAILED "OVERVIEW UNCLASSIFIED

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OF SUBNATIONAL DEVELOPMENT IN THE U.S.". WP EXPRESSED CONSIDERABLE INTEREST IN SECRETARY VANCE'S PROPOSAL TO LAST YEAR'S MINISTERIAL COUNCIL FOR THE OECD TO INITIATE WORK ON URBAN CONCERNS SINCE SEVERAL COUNTRIES VIEW URBAN PROBLEMS IN A REGIONAL CONTEXT. U.S. DEL ISSUED FORMAL INVITATION TO WP TO MEET IN U.S. IN SPRING OF 1979. IN PROCEDURAL ACTION, GROUP RE-ELECTED

HOWARD (UK) PRESIDENT AND ASSISTANT SECRETARY HALL (DOC) AND CHARLIER (BELGIUM) VICE PRESIDENTS. U.S. DEL WAS HEADED BY DOC DEPUTY ASSISTANT SECRETARY HAROLD WILLIAMS. NEXT MEETING WILL BE NOVEMBER 9-10. END SUMMARY

2. TOUR DE TABLE

I) FRG DEL SAID BASIC CRITERIA FOR "ASSISTED AREAS" IS LEVEL OF UNEMPLOYMENT (ACTUAL AND ANTICIPATED). HE NOTED HOWEVER THAT THIS APPARENTLY SIMPLE APPROACH IS COMPLICATED BY DEGREE OF POLITICAL COMPETITION BETWEEN STATES WITH HIGH LEVELS OF UNEMPLOYMENT. AUSTRALIAN DEL SAID WHILE GOA IS NOT PLANNING NEW POLICY INITIATI-VES, IT IS CURRENTLY STUDYING REGIONAL DECLINE/DISPA-RITIES AND STRUCTURAL PROBLEMS; AND AGREED WITH FRG (AS DID VIRTUALLY ALL OTHER DELS) THAT UNEMPLOYMENT LEVEL IS BASIC DETERMINANT OF ITS REGIONAL PROGRAMS. CANADIAN DEL MADE DETAILED PRESENTATION OF CANADA'S REGIONAL DISPARITIES FOCUSSING ON SUCH PROBLEMS AS RAPID LABOR FORCE GROWTH, RELATIVELY HIGH UNEMPLOYMENT AND SPECIAL PROGRAMS FOR ESKIMOS. ELEMENTS OF CANADIAN POLICY RESPONSE INCLUDE TAX INCENTIVES FOR EMPLOYMENT CREATION AND REDUCTIONS IN SALES TAXES. SUMMING UP GENERAL MOOD, DENMARK SAID IT IS MORE CONCERNED WITH PROBLEMS FACING NATIONAL ECONOMY AS OPPOSED TO REGIONS; I.E. BALANCE OF PAYMENTS, UNEMPLOYMENT AND INFLATION. DANES SAID, HOWEVER, THEY ARE PREPARING GUIDE FOR UNCLASSIFIED

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THE SITING OF INDUSTRIES/SERVICES WHICH WILL BE COMPLETED WITHIN 2-3 YEARS.

II) U.S. DEL TABLED PAPER "AN OVERVIEW OF SUBNATIONAL DEVELOPMENT IN THE U.S.". ADDITIONALLY, U.S. DEL SAID U.S. REGIONAL POLICIES IN STATE OF "GREAT FERMENT" FOR REASONS ALREADY MENTIONED BY OTHER DELS PLUS ENVIRONMENTAL FACTORS, STRUCTURAL PROBLEMS CONFRONTING SEVERAL INDUSTRIES (STEEL, SHOES, APPAREL), MINORITY GROUP PRESSURES IN URBAN AREAS AND ACTIVIST ROLE OF NEW ADMINISTRATION. U.S. DEL THEN OUTLINED SOME OF BASIC CONCERNS SHAPING U.S. REGIONAL POLICY: (A) POLITICAL (COMPETING CLAIMS FOR ASSISTANCE FROM VARIOUS REGIONS SUCH AS N.E. AND S.W.); (B) DELIVERY SYSTEMS AND ROLES OF FEDERAL, STATE AND LOCAL GOVERNMENTS AND (C) WHAT TYPE PROGRAMS. IN CONCLUDING, U.S. DEL INVITED WP TO MEET IN U.S. IN SPRING OF 1979 (SEE REF A).

III) CHAIR OBSERVED U.S. COMMENTS COVERED VIRTUALLY

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ENTIRE RANGE OF REGIONAL PROBLEMS/PROGRAMS NOTING, PARTICULARLY, OVERLAP WITH COUNTER-CYCLICAL PROGRAMS. CHAIR ALSO EXPRESSED PLEASURE WITH RENEWED U.S. INTEREST IN REGIONAL PROGRAMS AND U.S. INVITATION TO WP TO MEET IN U.S. IN THIS REGARD CANADIAN DEL EXPRESSED INTEREST IN COORDINATING POSSIBLE VISIT TO CANADA BY WP. U.S. ASSURED CANADIAN DEL WE WOULD COORDINATE WITH THEM AS PLANS ARE DEVELOPED. (COMMENT: MISSION BELIEVES JUNE, 1978 NORWEGIAN STUDY TOUR CAN PROVIDE USEFUL OPPORTUNITY FOR PLANNING NEXT YEAR'S MEETING IN U.S. END COMMENT).

IV) DELEGATES EXPRESSED MUCH INTEREST IN FRENCH SUGGESTION THAT DISCUSSIONS CONTINUE ON RELATIONSHIP BETWEEN REGIONAL AND INDUSTRIAL POLICY. FRENCH SAID THESE DISCUSSIONS SHOULD INVOLVE THOSE IN CHARGE OF BOTH INDUSTRIAL AND REGIONAL POLICY IN MEMBER COUNTRIES. SWISS DEL PRESENTED PROPOSAL FOR A SEMINAR ON RESEARCH IN REGIONAL POLICIES, WITH PARTICULAR ATTENTION TO BRIDGING GAP BETWEEN RESEARCH AND POLICY. AFTER SOME DISCUSSION, SWISS AGREED TO DEVELOP A MORE DETAILED PROPOSAL FOR SUBMISSION TO WP'S FALL MEETING. UNCLASSIFIED

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3. U.S. PROPOSAL ON URBAN CONCERNS.

DELEGATES EXPRESSED CONSIDERABLE INTEREST IN PROPOSAL OF SECRETARY VANCE TO 1977 MINISTERIAL COUNCIL TO CONSIDER PROBLEMS OF URBAN POLICY. U.S. PAPER ON URBAN CONCERNS WAS REVIEWED WITH INTEREST, AND SECRETARIAT WAS ASKED TO KEEP WP INFORMED OF DEVELOPMENTS, ESPECIALLY SINCE MANY COUNTRIES VIEW URBAN PROBLEMS IN A REGIONAL CONTEXT. (SEE REF B).

4. FRAMEWORK FOR REGIONAL POLICY REVIEWS (DSTI/IND/ 78.6)

BELGIUM AND FRANCE PRAISED OUTLINE PREPARED BY CONSULT-ANT (EMANUEL) FOR BEING HIGHLY DETAILED AND CONCEPTUALLY INTERESTING. U.S. AND NORWAY ALSO COMPLIMENTED AUTHOR ON PROVIDING USEFUL FRAMEWORK BUT OBSERVED THAT OUTLINE POSED MANY DIFFICULT, IF NOT UNANSWERABLE, QUESTIONS. FOLLOWING DISCUSSION, WP AGREED NOT TO MAKE A RECOMMENDATION TO IC ON THE FRAMEWORK BUT THAT PAPER COULD SERVE AS A USEFUL GUIDE FOR EVALUATING REGIONAL POLICIES IN MEMBER COUNTRIES.

5. ELECTIONS

WP RE-ELECTED AS PRESIDENT R.S. HOWARD, UK DEPARTMENT OF INDUSTRY AND VICE PRESIDENTS R.T. HALL, DOC ASSISTANT SECRETARY AND R. CHARLIER OF BELGIAN ECONOMICS MINISTRY. HOWARD ANNOUNCED HE WILL RETIRE NEXT YEAR, THUS CHAIR WILL BECOME VACANT.

6. FUTURE MEETING WP6 WILL MEET NOVEMBER 9-10, 1978. SALZMAN UNCLASSIFIED

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